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Uncommon Sense

Providing Clarity, Promoting Intelligence

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Issue: # 008

July 23, 2011

Greetings!

Summer is well underway. I hope you are making the most of your summer months. It's a great time to engage in some recreational pursuits, perhaps some much needed R&R, perhaps reconnecting with a friend you haven't seen for some time. It's also a great time to develop yourself, reignite your business, rethink your priorities -- all food for thought.

This issue of *Uncommon Sense* will also give you some food for thought. Do a friend or colleague a favor and forward it on to anyone you know who might find any column in this issue intriguing.

OK, let's get started!

Warm regards,

Ara Norwood



Incentives Matter

People behave in ways that are not that hard to predict. Why do I say that? Because we are wired to make choices based on how we are incentivized to do so. Incentives drive human behavior. Let me give you a simple example.

The other day I had just finished my 1-mile run at the local community college where I teach part-time. As I walked back to my car to go home, I noticed that in the nearby parking lot was a fair, where vendors set up booths and sell their wares - mostly T-Shirts, jewelry, and similar crafts. I had been to that same exact fair at the same

location about 3 or 4 weekends previous. And while there that first time, I ran into a couple from my Church who had a booth set up where they were selling shoes. I had purchased a pair of very casual, sporty shoes at that time and was pleased with the purchase.

On this new occasion, I saw this same couple selling the same large assortment of shoes. I didn't plan on making any purchases, and in fact, didn't even have my wallet with me. But the guy asks me, holding up a certain pair of Ugg-type boots, if I would ever wear such a pair. Now I instinctively knew at that moment he was going to try to sell me the boots. And I was, frankly, ambivalent about buying them for several reasons. After all, I didn't particularly love them; I didn't really need them; I didn't have my wallet with me to pay for them, etc.

But I took them. Why? Because he gave me several incentives to do so.

First, he told me that he normally sells them for around \$80 or so, but that he's had them on discount for \$50. However, he told me I could have them for, . . . and then he seemed to be trying to come up with a low number that he could live with, . . . "\$35" was the number he said. Now, I am very incentivized by getting a deal. I don't know if he instinctively knew this about me, or if he presumes this is a common trigger for most people, or what. But when I perceive I am getting a deal of some kind, I am more likely to want to do business and complete a transaction.

But there's more. I happen to like footwear - even more than suits, slacks, dress shirts, etc. Footwear for me ranks right up there with ties and other accessories such as cufflinks and wrist watches and fine pens. So because I am fond of shoes, boots, and the like, I had an extra incentive to transact a deal. This probably would not have worked for me if we were talking about coats or slacks.

And there's the fact that even though I didn't have any way to pay for the items at that time, inasmuch as my wallet was at home, since he knows me from Church, he trusts me to pay him. After all, that, in reverse, is how the first transaction took place about 3 weeks earlier when I purchased my first pair of shoes from him: I paid him cash on the spot, but he didn't have my size shoe with him at the fair. I trusted he would deliver the shoes to me at Church, which he did a couple of Sunday's later. This time

around, he trusted me to pay him in the not-too-distant future, and I did pay him, a couple of weeks later. I am very incentivized by credit terms. And whether he knew it or not, he accommodated me on that incentive.

A final incentive is that since I know him from Church, I want to see him succeed. I don't feel that same level of concern for a stranger. Thus, because of the Church-connection we share, I entertained doing a deal with him that I might not have done with a complete and total stranger.

Now all of these incentives tend to balance each other out. In other words, take away one of the incentives, but increase the value of another incentive, and I'll still probably do the deal. Say, for example, I didn't know this guy from Church (or anywhere else). OK, one incentive (the relationship incentive) is gone. All other things staying the same, and I might not be inclined to do business. But if the type of shoe being offered was one I really liked, or if the credit terms were even more flexible, or if the discount was even more generous, I'd probably overlook the fact that I don't have any prior history with this guy, and I'd probably do the deal.

I'll give you one more example before I wrap this up. Take a look at the photo to the right. What do you see? Two gas stations. Do you notice the price difference? It's significant. These two gas stations, located right next to each other, offer essentially the same product - gasoline - but do so at very different price points.



What else do you see that's noteworthy? If you look closely, you may notice that the gas station with the more expensive gasoline still has customers! They could drive a mere 50 yards and spend less money for their gas, but they don't! Why not?

I would argue that they choose the more expensive gas station because they are incentivized to do so. The more expensive gas station offers a branded credit card. The less expensive gas station requires you to use your ATM-debit card or cash.

Many people are incentivized by putting many or most of their purchases on credit in the hopes that they will acquire more funding later on to cover that credit. For many people, the incentive to purchase gas on a credit card trumps the incentive to pay less money per transaction if each transaction comes out of their bank account now.

My advice: whenever you buy anything out of the ordinary, stop and ask yourself why you made that purchase. What was it that got you to spend the money? We usually don't stop and take the time to conduct this sort of internal audit, but doing so can be very helpful in seeing what makes us tick, and what might make others tick.

Additional advice: since we are not all the same, whenever you see someone purchase from you, try to find out what caused them to make the purchase. Chances are they will be caught off-guard by such a question. But don't let that dissuade you from trying to find out. As you discover what incentivizes a person to act, (i.e., to transact business with you) build your marketing campaigns and your advertising and sales copy with such incentives in mind. You will be glad you did.

What is American Exceptionalism?

Getting clear on a term

While we celebrated our country's independence almost 3 weeks ago, I think it appropriate to comment on an idea that was first articulated by the illustrious Frenchman Alexis de Tocqueville, the idea of *American exceptionalism*. In the 1830s, Tocqueville studied America quite carefully and later published a seminal work, *Democracy in America*. Tocqueville saw America as a truly exceptional nation when he wrote: "The position of the Americans is therefore quite exceptional, and it may be believed that no democratic people will ever be placed in a similar one."



The current occupant of the White House seems to see American exceptionalism as neither noteworthy nor praiseworthy, stating "I believe in American exceptionalism, just as I suspect that . . . the Greeks

believe in Greek exceptionalism." *Greek exceptionalism?* Without meaning to impugn the Greek people, isn't Greece so badly mismanaged that, as I write, it is imploding economically? What, I wonder, has modern-day Greece done or produced that could be called exceptional? I suspect our president truly sees *all* countries as possessing exceptionalism - which is another way of saying that no country, not even the United States, possesses exceptionalism.

There seems to be a growing trend among the cultural elites to debunk American exceptionalism. Writing for [Real Clear Politics](#), Richard Cohen speaks for many sophists when he, using mostly straw-man arguments, calls American exceptionalism a myth, believing it to be based on arrogance and narcissism.

I have a different view. I believe the United States of America *is* a truly exceptional nation, a shining city on a hill, to borrow a phrase from John Winthrop. Here are five reasons why I believe this to be so:

- **Private Property:** The American Dream is to be the owner of a home and the property upon which it resides. This is something that remains a galvanizing force for Americans in all 50 states. This is not something that is even on the radar for people in nations such as North Korea, Albania, Bolivia, or The Ukraine. The ability to say, "I own this home! I own this land! I am its steward" is a remarkable and humbling mindset. It bespeaks of the very notion of freedom and accomplishment, but also of responsibility.
- **Individual Rights (not from the State but from God):** Thomas Jefferson captured the notion of inalienable rights when he penned the Declaration of Independence in that peculiar felicity of expression that only he could articulate. But while the style of expression is uniquely his, he spoke for both the Founding Fathers and for all Americans in declaring that there are certain rights (among them life, liberty, and the pursuit of happiness) that cannot be granted by the state (for if the state could grant them, the state, on a whim, could take them away) but are, instead, granted by the Almighty. As the Almighty is the great Constant, these rights are also constant. They are perpetual and perennial, not seasonal.
- **Representative Government (Democracy):** the notion that the government is there to represent the people

that put them there, and not that the people need to bow to the government, was an unusual construct. Most governments in the world during the 1770s were monarchical or some form of dictatorship. A king was placed on the throne, either by inheritance, or by military force, and the people were subservient to his will. Representative government is a radical departure from this construct.

- Religious Liberty; Separation of Church & State: the idea that people could choose to worship how they wish (or choose not to worship at all) is a profound ideal. And to base a nation on religious principles while maintaining a secular government that does not favor or endorse any particular religious denomination, and simultaneously honoring the ideals of religion, is a very unusual mix.
- Immigration: The fact that people the world over long to be here in America, and that our nation welcomes immigrants from all nations to come here and become Americans (be they Polish, Turkish, Mexican, Russian, Egyptian, or Japanese by birth) is a testament to that imagery of the shining city on a hill, beckoning others to come to our shores, adopt our values, and be the best they can be.

For those nay-sayers among us who feel America is a bad nation, or at the very least, who feel there is nothing profound or extraordinary about America, I have a question for them. When one considers the power of the United States Armed Forces to quell violence and curtail genocide, I would like to know if the so-called progressives among us believe the world would be a safer, kinder, better place if the United States simply evaporated into thin air. Would Libya and North Korea and Russia and Iran and Syria and Mexico and Venezuela and Afghanistan be safer and more humane places if there were no such thing as the United States in existence?

I suspect those Left of center would, with a straight face, answer affirmatively.

Shameless Plug: Resume Guide Nears Completion

A number of you have asked for an update on the resume guide I have mentioned in a past issue of *Uncommon Sense*. It is nearing completion and will be loaded with information and razor-sharp instruction on how you can improve your own resume to increase your odds of landing interviews. Details about it's launch will be forthcoming

soon. Stay tuned.

From Ara's Journal

Atheism seems to be in vogue these days. I often wonder why. What is it about a belief in the non-existence of a Supreme Being, and an insistence that this life is all there is, and that at death there is no further existence of any kind, that is so appealing to certain people? In talking with some of the more militant, cock-sure atheists among us, it is hard not to get the impression that they mask a certain glee about there being no God, no afterlife, no rewards for the righteous, no punishments for the wicked.

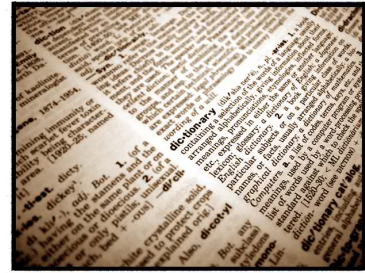


Of course, it is impossible to prove, using empirical, scientific means, whether God exists or not (although, amazingly, I have had some atheists insist that if there was such a thing a God, then we believers should be able to prove it using empirical methods -- thus betraying a colossal inability to grasp the issues involved.) Those of us who maintain we possess a special sort of certainty about the existence of God do so not through empirical means; we cannot "prove" God's existence to another person. However, what often seems lost on the atheist is that they cannot prove the non-existence of God using empirical means -- or any other means for that matter.

The conflict between theists (i.e., believers) and atheists is an interesting construct. If atheists turn out to be correct that there is no existence after death, they will not be in a position to gloat about it. In fact, they will never *know* that they were right all along. Whereas if theists turn out to be correct that there is a God and life after death, they could say "I told you so" but probably would not do so. There would be no need. The new realities in the next life, with its norms, structures, and culture, would hopefully obliterate any tendencies for high-mindedness, as we explore our new home (or re-explore our old) with unabashed wonder, astonishment, and profound gratitude.

The World of Words

Building Your Power of Expression



Panoptic, adj.

Pronunciation: pan'Optik

Meaning: Truthfully, this is one of my favorite words in the English language. I even coined a variation of this word, *panoptics*, which I use as a singular noun to suggest *doing* things in a panoptic way. Our word here refers to anything that enables one to view the whole of something, to "see wholes," not merely isolated parts. It's a macro approach to taking in information or being "all-seeing" and comes from the combining of the Greek prefix *pan-* (all) and *optikon* (sight).

Usage:

- *I enjoyed his approach to photography, his panoptic way of capturing the entire vista.*
- *The level of complexity with this problem is unique and unprecedented, and will require a panoptic mindset to sort out the details.*
- *If there is a God, His power and awareness is panoptic and is not limited to one particular realm; His power would be exercised without restraint in any venue and His awareness would not be limited to circumstance.*

Subscribers, the Special Report "11 Ways to Beat the Odds" is now complete and has been sent out. If you have not received it, please communicate that to me via email (ara@aranorwood.com).

For more information on my work, follow me on Twitter ("Ara Norwood"), or on Facebook (keyword "Leadership Development Systems") or via my website: www.aranorwood.com

Sincerely,

